

Food processing and textile and clothing industries employ about one-quarter of the manufacturing work force and account for about 20 per cent of the value of secondary production. The food processing industry is generally capable of meeting domestic demand as well as providing food-stuffs for export. The textile and clothing industries produce a wide assortment of woollen, cotton and synthetic fibre items.

Although Australia is expected to continue manufacturing a diverse range of products, it is becoming apparent that greater emphasis must be given to industries which are capital intensive and natural resource oriented, requiring high technology and a skilled labour force.

Australia's building industry is highly active, responding to demands for new housing, public works and commercial and industrial construction. Much of the construction is concentrated in housing. The government has a number of programs to aid individuals in building or purchasing homes; home ownership being an important priority with Australians.

## **Trade and Economic Policy**

The Australian government has, over a long period of time, promoted import-substitution industries to conserve foreign exchange and provide employment. Development of domestic industry has been supported by import licensing (abolished in 1960) and high-tariff protection, which insulated Australian industries from foreign competition.

These policies fostered the growth of manufacturing industries but also encouraged inefficient and uneconomic businesses. Current policies reflect a desire to reduce tariff protection — in the interest of reducing costs — for inefficient, high-cost industries, while concentrating support in lower-cost industries. At the same time, efforts are being made to encourage Australian industry to compete in international markets. Australia attempted to invoke wide acceptance of reductions in tariff protection at recent General Agreement on Tariffs and Trade (GATT) ministerial sessions in Geneva.

## **Foreign Trade**

International trade accounts for about 28 per cent of Australia's gross domestic product. Japan, other Pacific Rim countries and Europe have assumed dominant roles over Australia's traditional trading relationship with Britain.